

STATE OF TENNESSEE

Office of the Attorney General



REC'D TN
REGULATORY AUTH.

*02 FEB 13 PM 1 43

OFFICE OF THE
EXECUTIVE SECRETARY

PAUL G. SUMMERS
ATTORNEY GENERAL AND REPORTER

ANDY D. BENNETT
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES
ASSOCIATE CHIEF DEPUTY
ATTORNEY GENERAL

Reply to:
Consumer Advocate and Protection Division
Attorney General's Office
P.O. Box 20207
Nashville, TN 37202

MICHAEL E. MOORE
SOLICITOR GENERAL

425 FIFTH AVENUE NORTH
NASHVILLE, TN 37243-0485

TELEPHONE (615) 741-3491
FACSIMILE (615) 741-2009

February 13, 2002

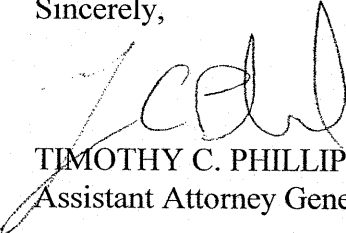
Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: United Cities Gas Petition for Approval
of New or Revised Franchise Agreements
with Kingsport, Bristol, Morristown, and
Maury Counties
Docket No. 00-00562 †

Dear Mr. Waddell:

Enclosed is an original and thirteen copies of the Direct Testimony of Consumer Advocate Division witness, Stephen Brown, Economist in the above-referenced matter. Copies are being furnished to counsel of record for interested parties.

Sincerely,


TIMOTHY C. PHILLIPS
Assistant Attorney General

cc: Counsel of Record

52514

Before the

TENNESSEE REGULATORY AUTHORITY

**IN RE: UNITED CITIES GAS PETITION FOR
APPROVAL OF NEW OR REVISED FRANCHISE
AGREEMENTS WITH KINGSPORT, BRISTOL,
MORRISTOWN AND MAURY COUNTY**

**DIRECT TESTIMONY
OF
STEPHEN BROWN**

February 13, 2002

INTRODUCTION

1
2
3
4 Q. Please state your name.

5
6 A. Stephen Brown.

7
8 Q. Where do you work and what is your job
9 title?

10
11 A. I am an economist in the Consumer Advocate
12 and Protection Division, Office of the
13 Attorney General, where I have been
14 employed since 1995.

15
16 Q. What are your responsibilities as an
17 Economist?

18
19 A. I review utility filings and information
20 relating to rates and rate changes and
21 follow the economic conditions that affect
22 the companies. I also assess and evaluate
23 facts for the Consumer Advocate and
24 Protection Division and other entities
25 within the Office of the Attorney General.

26
27 Q. What experience do you have regarding
28 utilities?

29
30 A. From 1986 to 1995 I was employed by the
31 Iowa Utilities Board as Chief of the Bureau
32 of Energy Efficiency, Auditing and
33 Research, and Utility Specialist and State
34 Liaison Officer to the U.S. Nuclear
35 Regulatory Commission. From 1984 to 1986 I
36 worked for Houston Lighting & Power as
37 Supervisor of Rate Design. From 1982 to
38 1984 I worked for Arizona Electric Power
39 Cooperative as a Rate Analyst. From 1979 to

1 1982 I worked for Tri-State Generation and
2 Transmission Association as Power
3 Requirements Supervisor and Rate
4 Specialist. From 1979 through 1995 my work
5 spanned many issues including cost of
6 service studies, rate design issues,
7 telecommunications issues and matters
8 related to the disposal of nuclear waste. I
9 have also been a witness in several
10 proceedings of the Tennessee Regulatory
11 Authority.
12

13 **Q. What is your educational background?**

14
15 A. I have an M.S. in Economics from the
16 University of Wyoming, an M.A. and Ph.D. in
17 International Relations with a specialty in
18 International Economics from the University
19 of Denver, and a B.A. from Colorado State
20 University.
21

22 **Q. What were you asked to do with respect to**
23 **this docket?**

24
25 A. I was asked to review the information filed
26 in this case and to form an opinion about
27 the 5 percent franchise fee United Cities
28 proposes to pass on to consumers.
29

30 **Q. What is your opinion about the fee?**

31
32 A. Because no party in this docket has filed
33 any information demonstrating that the fee
34 recovers any costs related to maintaining,
35 improving or administering public rights-
36 of-way, the fee is not cost-based.
37 Therefore, there is no economic
38 justification for United Cities passing the

1 expense to consumers. Those expenses should
2 be excluded from the consumers' bills.
3
4

5 This concludes my testimony at this time.
6

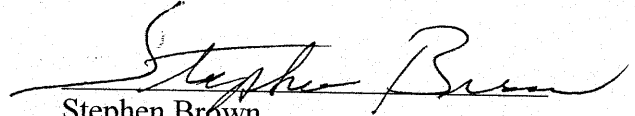
BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE: UNITED CITIES GAS PETITION FOR
APPROVAL OF NEW OR REVISED FRANCHISE
AGREEMENTS WITH KINGSPORT, BRISTOL,
MORRISTOWN AND MAURY COUNTIES


)
)
) DOCKET NO. 00-00562
)
)

AFFIDAVIT

I, Stephen Brown, Economist, for the Consumer Advocate Division of the Attorney General's Office, hereby certify that the attached Direct Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.


Stephen Brown

Sworn to and subscribed before me
this 13th day of February, 2002.


NOTARY PUBLIC

My commission expires: 1/25/2003

CERTIFICATE OF SERVICE

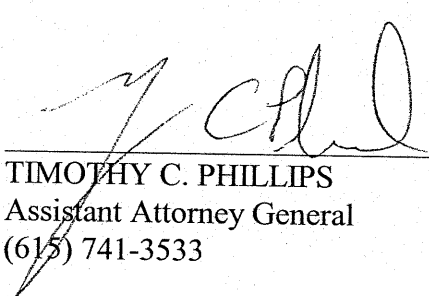
I hereby certify that on February 13, 2002, a copy of the foregoing document was served on the parties of record, via the United States Mail:

Jonathon Wike, Esq.
General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Joe A. Conner, Esq.
Baker, Donelson, Bearman & Caldwell
1800 Republic Centre
633 Chestnut Street
Chattanooga, TN 37450-1800

Richard C. Jessee, Esq.
City Attorney
Bacon, Jessee & Perkins
1135 West Third North Street
Morristown, TN 37814

Jack W. Hyder, Jr., Esq.
777 Anderson Street
Massengill, Caldwell & Hyder PC
P. O. Box 1745
Bristol, TN 37621



TIMOTHY C. PHILLIPS
Assistant Attorney General
(615) 741-3533